

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7082

BILL NUMBER: SB 249

NOTE PREPARED: Jan 2, 2007

BILL AMENDED:

SUBJECT: Minimum Wage.

FIRST AUTHOR: Sen. Mrvan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☒ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases Indiana's minimum hourly wage to \$6.15 on July 1, 2007, and \$7.15 on July 1, 2008. It also increases Indiana's minimum hourly wage for certain individuals less than 20 years of age to \$5.20 on July 1, 2007, and \$6.10 on July 1, 2008.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The state as of January 1, 2007, had 13 employees who are paid less than \$7.15 per hour (10 are paid less than \$6.15 per hour and 3 between \$6.15 and \$7.15 per hour). The cost to increase the minimum wage from the current rate of \$5.15 to \$6.15 per hour on July 1, 2007, and \$7.15 per hour on July 1, 2008, would be approximately \$28,000 for FY 2008 and \$50,300 for FY 2009. The increase in the minimum salary would also affect wage-related benefits, such as social security and retirement benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: The local impact of increasing the minimum wage is unknown. The percentage increase from the current rate of \$5.15 would be 19.4% on July 1, 2007, and 38.8% on July 1, 2008. The increase in the minimum salary would also affect the local unit's cost of wage-related benefits, such as social security and retirement benefits.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Department of Personnel Staffing Database.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.